

FISCAL NOTE

HB 3178 - SB 3143

February 12, 2002

SUMMARY OF BILL: Places restrictions on mortgage and home equity loans. Requires every lender to give re-issuance credit on a title insurance policy issued on a previous mortgage loan. Requires that any money paid or retained by a third party originator or broker from any source must be fully disclosed on the settlement statement. Requires the commissioner of financial institutions to adopt rules necessary to implement and enforce the provisions of the act. Allows the commissioner to issue cease and desist orders and allows a \$1,000 civil penalty for each violation of such cease and desist order.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$120,115 Recurring
\$8,000 One-Time**

Increase State Revenues - \$80,000

Estimate assumes:

- An increase in expenditures for two loan examiner 3 positions and related expenditures in the department of financial institutions to conduct investigations.
- An increase in state revenues of \$80,000 from collections of examination fees. (\$200 per day X 200 examination days per year X 2 loan examiners)

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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